

	27-Feb	5-Mar	Change		27-Feb	5-Mar	Change
BIST-100 Index	13.718	13.079	-4,7 % ▼	EUR/USD	1,1813	1,1607	-1,7 % ▼
TRY 2 Year Benchmark Rate	36,53 %	37,86 %	133 bp ▲	USD/TRY	43,9204	44,0075	0,2 % ▲
Türkiye 5-Year CDS Premium	235	238	3 bp ▲	EUR/TRY	51,8834	51,0931	-1,5 % ▼
MSCI EM Equity Index	1.611	1.504	-6,7 % ▼	Gold (USD/ounce)	5.277	5.077	-3,8 % ▼
US 10-Year Bond Rate	3,96 %	4,15 %	18 bp ▲	Brent Oil (USD/barrel)	72,5	85,4	17,8 % ▲

bp: basis point

This week, the effects of the ongoing conflict between Israel, the US and Iran were monitored. Disruptions in the Strait of Hormuz and attacks targeting energy facilities in the region caused rapid increases in oil and natural gas prices. Significant data flow was monitored during the week. While February manufacturing PMI data in the US presented a positive outlook, expectations that the Fed could cut interest rates twice in 2026 weakened in line with geopolitical developments. Today's non-farm payrolls data for February fell well below expectations. Annual consumer inflation in the Eurozone remained below the ECB's 2% target at 1.9% in February. In Türkiye, growth, inflation and PMI data stood out. While the Turkish economy grew by 3.6% in 2025, monthly and annual CPI inflation in February realized as 2.96% and 31.53%, respectively. In February, ICI Türkiye Manufacturing PMI reached its highest level in the last 22 months. Next week, geopolitical developments, the Monetary Policy Committee meeting of CBRT and balance of payments will be monitored.

Developments between Israel, the US and Iran were closely monitored.

The tension between Israel, the US and Iran, which arose during the US-Iran nuclear negotiations in February, escalated into a heated conflict last weekend. Reports that transit through the Strait of Hormuz, which is critical for global oil supply, could be restricted and that some oil tankers in the region had been targeted heightened concerns about global energy supply. Following these developments, major oil companies announced that they were temporarily suspending shipments from the region. In response, US President Trump announced that the US would provide insurance guarantees and military escorts to ensure the safe passage of US oil tankers and commercial vessels through the strait.

Nonfarm payrolls in the US fell below expectations.

The ISM manufacturing PMI, which reached its highest level since August 2022 at 52.6 last month, remained above expectations at 52.4 in February despite a slight monthly decline, marking the second consecutive month of expansion. During the same period, the ISM services PMI also exceeded expectations at 56.1. Private sector employment rose by 63,000 in February, marking the strongest employment growth since November 2025, while nonfarm payrolls fell by 92,000, contrary to expectations of a 59,000 increase. The unemployment rate also rose to 4.4% during this period.

The Beige Book report published by the Fed for March stated that economic activity and prices in the US showed a moderate upward trend in recent weeks, while employment indicators remained generally stable. However, expectations that the Fed could cut interest rates by 25 basis points twice this year weakened in the markets, influenced by assessments that the tension between the US and Iran could create shocks in energy prices, posing risks in the short term for both inflation and growth prospects.

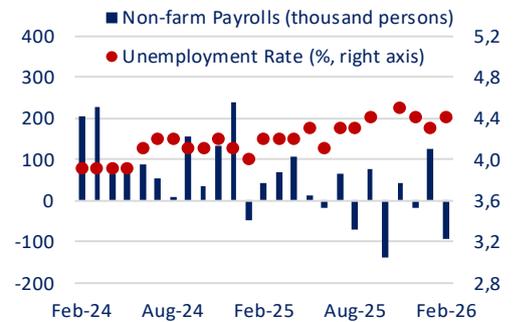
Annual CPI inflation in the Euro Area was 1.9%.

According to preliminary data, CPI inflation in the Euro Area rose 0.7% mom in February and came in at 1.9 yoy, exceeding market expectations. However, annual inflation remained below the ECB's 2% inflation target for the second consecutive month. The producer price index in the region rose by 0.7% mom, while declining by 2.1% yoy. The unemployment rate in the region was 6.1% in January, slightly below expectations, while the final services PMI for February stood at 51.9.

China's PMI data for February presented a mixed picture.

China's manufacturing PMI, which focuses on medium and small-sized enterprises in the private sector, stood at 52.1, indicating accelerated expansion in the sector. The official NBS manufacturing PMI, which also includes large enterprises and public enterprises in its assessment, came in at 49.0, below the threshold value and expectations. While the data presented a mixed picture, the Chinese government announced that the GDP growth target for 2026 has been set at between 4.5% and 5%.

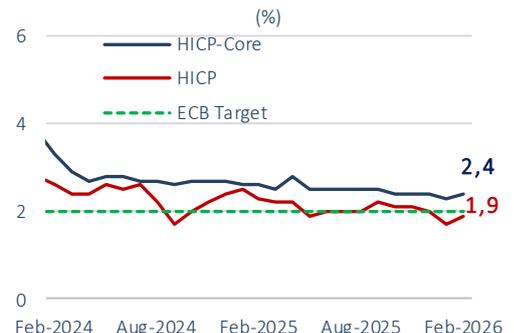
US Labor Market



US ISM PMI Indices



Annual Inflation in the Euro Area



Source: Datastream

The EU has outlined the framework for its “Made in EU” policy.

The framework of the European Union's (EU) “Made in EU” policy, created to increase competitiveness and production capacity in the manufacturing sector and reduce carbon emissions in strategic sectors, and the draft Industrial Accelerator Act prepared within this scope were published by the European Commission on March 4. The draft states that products manufactured by countries with a Customs Union (CU) agreement with the EU will also be considered EU origin. In his statement on the matter, Trade Minister Bolat emphasized the importance of confirming the legal basis that ensures the EU origin requirement covers our country as a matter of principle within the CU framework.

The Turkish economy grew by 3.6% in 2025.

In the last quarter of 2025, the Turkish economy grew by 3.4% compared to the same period of the previous year, according to the chain-volume index, which was close to market expectations. During this period, consumption and investment expenditures supported growth, while net exports limited growth by 1.4 points. Thus, the Turkish economy grew by 3.6% overall in 2025, exceeding the 3.3% growth rate projected in the Medium-Term Program. In 2025, GDP at current prices rose to 1.6 trillion USD, while GDP per capita reached 18,040 USD ([our Economic Growth report](#)).

Domestic CPI reached 31.53% yoy in February.

Domestic CPI rose 2.96% mom in February, in line with market expectations. The food and non-alcoholic beverages group, which recorded its highest monthly increase since February 2024 at 6.9%, played a significant role in this development. With the annual CPI inflation rising to 31.53%, the disinflation process that began in June 2024 was interrupted for the second time after September 2025. The monthly increase in the seasonally adjusted CPI also reached its highest level in the last 13 months, at 2.76% in February. During this period, the Producer Price Index (PPI) increased by 2.43% monthly and 27.56% annually ([our Inflation Report](#)).

The ICI Turkey Manufacturing PMI rose to 49.3 in February.

The Turkey Manufacturing PMI, published by the Istanbul Chamber of Industry, reached 49.3 in February, its highest level since April 2024. This data indicated that the contraction in manufacturing industry activity that began in July 2023 continued, but there was a partial recovery in activity. During this period, while the decline in new orders was recorded at its mildest level in nearly two years, in line with signs of improvement in demand, input costs and final product prices rose. Looking at sectoral PMI data, although the number of sectors with increases in production and new orders decreased compared to January, a more positive outlook was observed in terms of employment. Of the 10 sectors evaluated within the scope of the PMI, 2 (electrical and electronic products and food) showed signs of increased activity, while 8 sectors remained below the PMI threshold value.

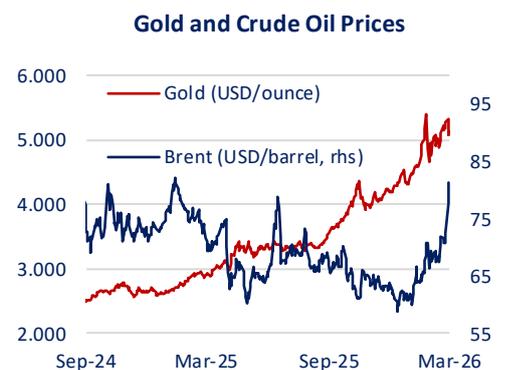
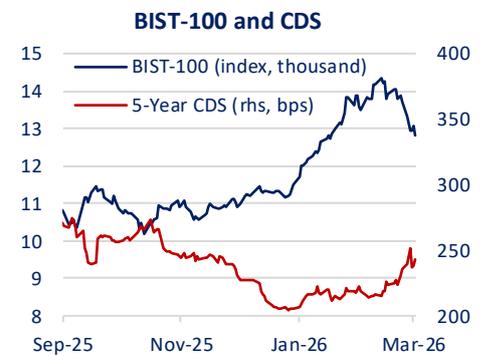
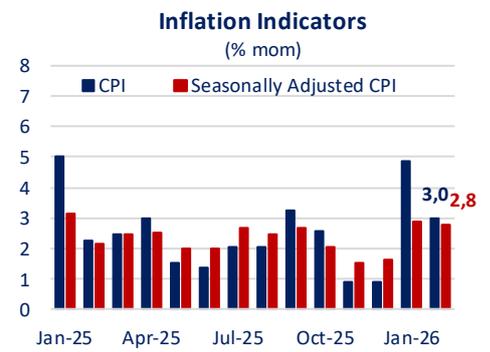
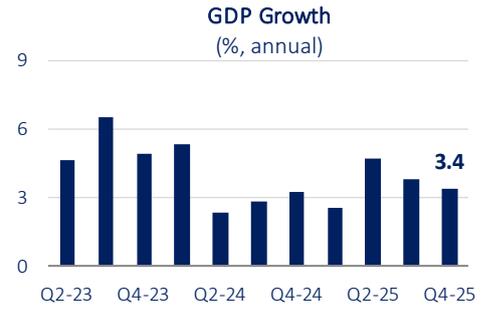
Financial markets...

Geopolitical developments influenced market trends in the first week of March. With the outbreak of hostilities, selling pressure was observed in stock markets, while risks related to global energy supply and expectations that this situation could have inflationary effects on a global scale caused sharp price movements in safe-haven assets, particularly gold. Gold prices closed at 5,077 USD/oz on Thursday, down 3.8% from Friday, while the DXY index rose 1.8%. The price of Brent crude oil rose 17.8% during this period, climbing above the 85 USD level. Meanwhile, OPEC+ announced that it had decided to increase daily oil production by 206K barrels starting in April, following its meeting on March 1. In addition, aluminum and fertilizer prices rose in parallel with the increase in supply chain risks. The BIST-100 index fell 4.7% on a weekly basis to 13,079, in line with developments in global markets. Turkey's 5-year CDS risk premium rose 3 basis points to 238 points.

Next week's agenda...

The course of geopolitical developments will continue to be closely monitored next week. Furthermore, inflation data from leading economies along with foreign trade and PCE data from US will be closely monitored. Domestically, the CBRT's second monetary policy meeting of the year is at the forefront of the agenda. Also, balance

of payments statistics and the results of the CBRT's Market Participants Survey will also be announced.



Source: Datastream, CBRT, Turkstat

Data Releases

		Period	Consensus	Prior
March 9	Euro Area Sentix Index	February	3.5	4.2
	Germany Industrial Orders, mom	January	-4.3%	7.8%
	China CPI Inflation, yoy	February	0.8%	0.2%
	China PPI Inflation, yoy	February	1.2%	-1.4%
March 10	TR Industrial Production, yoy	January	-	-2.1%
	US Existing Home Sales, units	February	3.9 mln units	3.9 mln units
	China Trade Balance	February	181.6 bln USD	114.1 bln USD
	Japan GDP Growth, final, qoq	2025 Q4	0.3%	0.1%
March 11	TR Trade Sales Volume, yoy	January	-	3.8%
	US CPI Inflation, yoy	February	2.5%	2.4%
	Germany CPI Inflation, final, mom	February	-	-
March 12	TR Current Account Balance	January	-	-7.3 bln USD
	CBRT Monetary Policy Meeting	March	37.0%	37.0%
	US New Home Sales, units	January	1.4 bln units	1.3 bln units
	US Trade Balance	January	-	-70.3 bln USD
March 13	CBRT Survey of Market Participants	March	-	-
	TR Services Production, yoy	January	-	4.2%
	US Core PCE, mom	January	0.4%	0.4%
	US Durable Goods Orders, mom	January	1.2%	1.4%
	US Michigan Consumer Confidence, prelim	March	-	56.6
	Euro Area Industrial Production, yoy	January	-	1.2%

Source: Datastream, CBRT, Turkstat

Economic Research Division

Alper Grler
Division Head
alper.gurler@isbank.com.tr

Aslı Gksun Őat Sezgin
Asst. Manager
asli.sat@isbank.com.tr

H. Erhan Gl
Unit Manager
erhan.gul@isbank.com.tr

Onuray Gnaydın
Asst. Economist
onuray.gunaydin@isbank.com.tr

Our reports are available on our website <https://research.isbank.com.tr>

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